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PRIORITY

UNCLASSIFIED
(Security Classification)

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY GUATEMALA — 606 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — January 15, 1954 DATE

REF :

Action Assigned to — JAN 18 1954

For Dept. Use Only	ACTION	INFO
24	OLI-10	DEPT. DC/R-2 ARA-2 EUR-5 UNA-2 MSA-1
	REC'D 1/20	OTHER Army-35 Navy-3 Air-24, OSD-2 OCB-1

SUBJECT: Joint Weeka No. 2 for State, Army and Air Departments from SAA.

Action Office Symbol CIA-10

DECLASSIFICATION DATE 11/12/[illegible]
PER [illegible] OFFICE ARA
FADRC FOI CASE NO. 640355

The Guatemalan Agrarian Reform authorities this week began an investigation into the past six weeks' disturbances in the Department of Escuintla where Communist-incited groups of campesinos have been illegally taking over land, but the landowners of the region were not sanguine that order would be restored. The first meeting summoned by Major MARTINEZ, Chief of the National Agrarian Department, was interrupted by a large crowd of campesinos yelling, "Death to the Reactionaries" and "Down with Martinez."

The country was excited by two press stories. In the first, Prensa Libre reported as a fact Foreign Minister OSEGUEDA's assignment as Ambassador to Uruguay and stated he would be replaced by Guillermo TORIELLO, Ambassador to the United States and that there would immediately be other Cabinet changes. Osegueda in effect denied this story but subsequently confirmed in a private conversation that he would soon leave the Foreign Ministry. In the second incident, the independent as well as leftist press raised the cry of intervention when Time Magazine quoted Ambassador Peurifoy as saying the United States would not tolerate a Soviet republic between Texas and Panama, but the newsworthiness of this item also began to drop after the Embassy gave the press an unofficial explanation that the quotation was out of context and unauthorized.

DOMESTIC AFFAIRS

Government Moves Hesitatingly to Bring Agrarian Reform Disturbances under Control: Major Alfonso Martinez, Chief of the National Agrarian Department, proceeded to Escuintla on January 11 on President Arbenz' orders to investigate reports that campesinos were seizing cultivated farmland not affected by the Agrarian Reform Law (Weeka No. 1) but his first attempt to hold a meeting was interrupted when a large crowd of campesinos gathered before the Escuintla Departmental Headquarters

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REPORTER

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shouting "Death to the reactionaries" and "Down with Martinez." He persuaded Carlos Manuel PELLECER, the Communist Deputy apparently in control of the crowd, to move it to a nearby school building where later in the day he heard landowners' complaints and campesino leaders' denials. He promised that all cases of reported illegal seizure of farmland would be investigated on the spot and that he would not leave the Department until matters are set to rights.

Despite this promise, farmers and plantation owners in the area appear to feel that there will be no lasting protection against Communist-incited seizure of cultivated land by the Communists. It appears that Martínez' first on-the-spot investigations have merely been directed at working out compromises between landowners and the squatters.

Fortuny Returns from Moscow: José Manuel Fortuny, Secretary General of the Communist Partido Guatemalteco del Trabajo (PGT), returned to Guatemala on January 8 from Moscow for which he had departed on November 5, 1953. He arrived as the party was conducting its annual campaign to renew party membership cards. The Tribuma Popular's account of this campaign reflected the party's countrywide growth by naming several cells not publicly listed previously.

Further conflict in the Leftist "Non-Communist" Parties: The Leftist, Administration political party, Partido de la Revolución Guatemalteca (PRG) on January 12 issued a new political manifesto purporting to be an appeal for the unity of the Administration parties but actually accusing the Partido Acción Revolucionaria (PAR), its principal rival in the Administration coalition, of attempting to sabotage it. This charge brought a sharp rebuttal from PAR spokesmen who accused the PRG of "divisionism" in the Revolutionary movement.

In another arena of the PAR-PRG conflict, Salvador CHICAS Carrillo and other PAR Deputies sought publicly to discredit Augusto CHARNAUD MacDonald, PRG Secretary General and Minister of the Interior, by conducting a Congressional inquiry into an order he had given that the police should not carry out court orders until they were countersigned by his office. The PAR Deputies claimed this was tantamount to setting the Ministry of Interior above the courts, but their projected investigation fizzled out when Charnaud MacDonald withdrew the order.

Rumored Cabinet Changes Denied: Foreign Minister Raúl Osegueda on January 11 emphatically denied press reports he had been appointed Ambassador to Uruguay and would not confirm reports that Guillermo Toriello, present Ambassador to the United States, would succeed him as Foreign Minister. Nonetheless, Major Humberto GARCIA Gálvez, Chief of Protocol, told the

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Ambassador on the following day that Osegueda would shortly be leaving the Ministry, and Osegueda later confirmed this in a conversation with other members of the staff.

The press also reported that FANJUL would shortly be replaced as Minister of Economy and ALDANA Sandoval as Minister of Communications, but both Osegueda and Jaime DIAZ Rozzotto, Secretary General of the Presidency, refused to give this report any confirmation.

FOREIGN AFFAIRS

Brief Press Flurry over Alleged "Interventionist" Statements by Ambassador Peurifoy: The appearance of Time Magazine's Latin American edition for January 11 quoting the Ambassador as stating that the United States would not tolerate the establishment of a Soviet republic between Texas and Panama raised cries of "intervention" from the independent as well as the Government press until the Embassy issued an informal statement explaining that Time's quotation was unauthorized, out of context, and misrepresented the views of the Ambassador who did not intend to imply that the inter-American concern with Communism should be implemented by unilateral United States action.

Before the explanatory statement, Prensa Libre reflected the underlying touchy nationalistic feelings of those opposed to the Arbenz Administration in an editorial stating "We Guatemalans do not accept Communism but neither do we accept foreign intervention, no matter what its intentions may be." Later, however, it rallied to the support of the Ambassador, fully endorsing the Embassy's explanatory statement.

Surprisingly, the leftist press has thus far made little of the incident, comment being confined to a reference in a Nuestro Diario editorial of January 13 on the Caracas Conference and two sarcastic, inside page items in the Communist Tribuna Popular "Maypole" column on January 14 and 15. The Government's Diario de Centro América has been silent and when opportunity arose for the Ambassador to give a copy of the explanatory statement to the Foreign Minister informally, he received it with good grace.

Guatemalan Attendance at the Caracas Conference Still Undecided: Foreign Minister Osegueda on January 12 again told the press that no decision had been reached as to whether Guatemala would attend the Tenth International Conference of American States at Caracas in March but that a decision would be reached by the Cabinet in January (Weeka No. 1). However, the independent press remains convinced that Guatemala will send a delegation, an attitude reenforced by the January 13 editorial in the pro-

Government Nuestro Diario which said that on the balance Guatemala should attend because, though opposed to the agenda item concerning Communism in the hemisphere, Guatemala was interested in other matters to be discussed there.

PSYCHOLOGICAL

President Eisenhower's State of Union Message Draws no Comment: President Eisenhower's January 7 State of the Union Message was covered in the news columns of the Guatemalan press but, unlike his United Nations speech, drew no editorial comment.

ECONOMIC

Government Attitude Towards Industry: The Government's Diario de Centro América this week crystallized the Arbenz Administration's philosophy on the industrialization of Guatemala in four successive editorials concluding that the industrialization of the country is being made and will continue to be made "in historical accord with the class interests of the proletariat." The series of editorials were a commentary on a speech by Manuel Eduardo RODRIGUEZ, President of the Guatemalan Association of Industrialists, AGIG, who reiterated the AGIG's thesis that the Arbenz Administration and Guatemala's industrialists could get along, but the official newspaper's Communist-line reply is not apt to reassure the majority of AGIG's members who state privately that the Government supported Communist domination of Guatemalan labor is the biggest barrier to the investment necessary for industrial expansion.

MILITARY

Further Emphasis on Military Participation in Agrarian Reform: Recent publicity given to the presentation of land to six officers of the National Army is additional evidence of the greater efforts being put forth to emphasize military participation in and implied indorsement of Agrarian Reform. Three of the officers are members of the President's Military Staff. The accounts carried by the press of January 3 of the parcelling of land from the national finca "Las Viñas" to these officers the day before failed to mention the fact that a similar ceremony was held in May 7, 1953 with the same six officers as beneficiaries (the property was not officially presented until the crops could be harvested and the titles cleared). The Administration, by this device, evidentally seeks to reassure the military that it stands to gain by the Arbenz program.

For the Ambassador:

William L. Krieg
Counselor of Embassy

Contributors:
Col. AMcCormick;
EHMiller